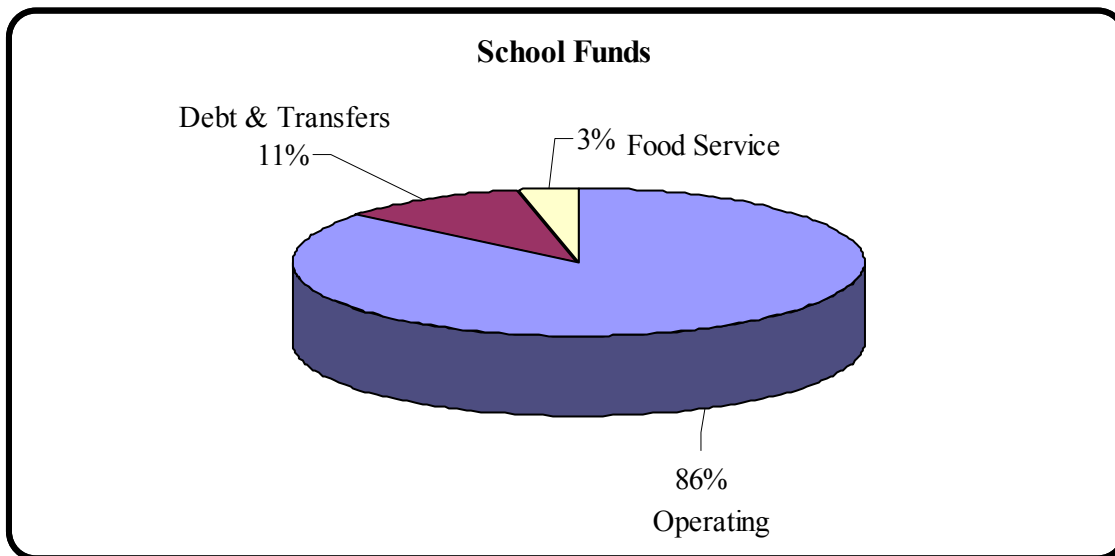
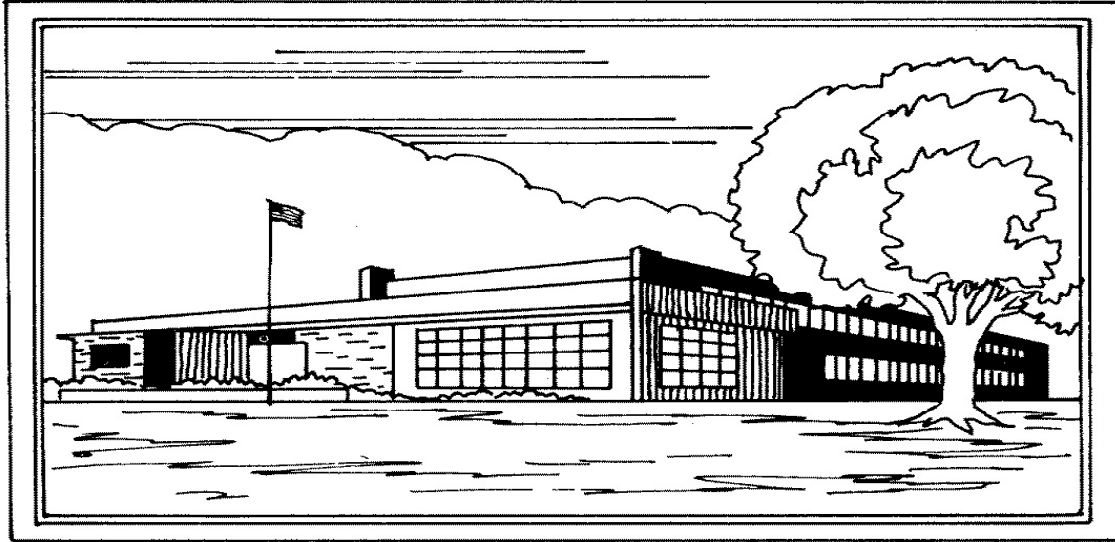


SCHOOL FUNDS

General Operating	\$77,035,558
Debt Service – Transfers	<u>\$9,800,816</u>
Total Operating Fund	\$86,836,374
Cafeteria Fund	<u>\$2,910,456</u>
Total Schools	\$89,746,830



PLEDGE: Learning For All As Evidenced By Student Achievement

SCHOOL DIVISION FUND

SCHOOL BUDGET BACKGROUND

The School Fund consists of two major funds: School Operating Fund and School Food Service Fund. The School Operating Fund, a governmental component unit fund, accounts for the operations of Fauquier County's public school system. The School Food Service Fund, a governmental component unit fund, accounts for the revenues and expenditures associated with the provisions of food service within the public school system.

It is the duty of the Division Superintendent of Schools, with the approval of the School Board, to prepare the public education budget estimates. These estimates must be approved by the School Board and submitted to the governing body. The estimate for public education submitted to the Board of Supervisors must show the estimated amount of money deemed to be needed during the next fiscal year to support the public schools, including instruction, operating and maintenance and other costs. The Board of Supervisors can appropriate funds by individual categories or by lump sum. In adjusting the school budget, the governing body may make changes only in the total amount or in the amounts of major categories established by the State Board of Education. The Board of Supervisors may not adjust individual line items. The Board of Supervisors must adopt the School budget no later than May 1st.

For support of education in Fiscal Year 2003, the Board of Supervisors appropriated lump-sum amounts from the County General Fund to the School Operating Fund of \$50,277,116 for operations and \$8,719,176 for debt service and transfers. The lump-sum appropriation option was approved to provide the School Division greater flexibility in budget management. The transfer element relates to funds, both State and local, which flow through the School Division to the Capital Fund to support various projects. For FY 2003 the Board of Supervisors also appropriated \$2,910,456 for the School Division's Food Service enterprise fund.

STATEMENT OF PHILOSOPHY- FAUQUIER COUNTY PUBLIC SCHOOLS

The Fauquier County Public School Division is committed to excellence in education and accepts with the home, responsibility for the educational development of students as individuals and as members of society.

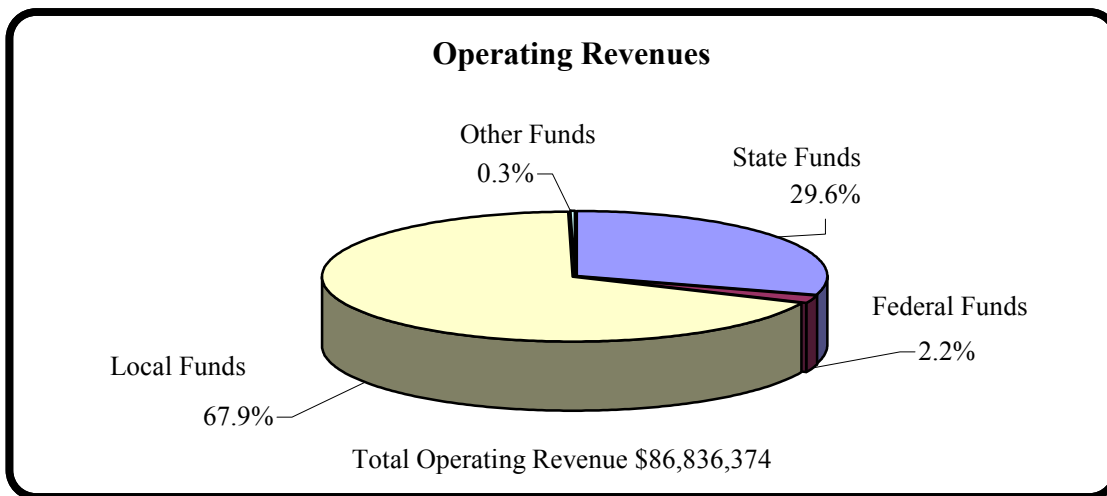
The basic purpose of the school system is to educate students in the knowledge, skills and values necessary to become self-sustaining and productive members of a democracy. The Fauquier County Public System will provide opportunities and resources to help individual students attain the level of achievement of which they are capable.

MISSION STATEMENT

The mission of the Fauquier County Public Schools is to cultivate the ability, the intellect, and the character of each student to ensure an educated citizenry.

SCHOOL DIVISION FUND - REVENUES

Source of Funds	FY 2001 Actual	FY 2002 Adopted	FY 2003 Adopted Budget	Change	
				2002 Adopted to	2003 Adopted
State	\$18,276,203	\$18,617,223	\$19,878,964	\$1,261,741	6.8%
State - Sales Tax	\$5,593,035	\$5,999,543	\$5,831,127	(\$168,416)	-2.8%
Federal	\$2,298,348	\$1,718,675	\$1,906,693	\$188,018	10.9%
Local - Operating	\$39,448,848	\$45,035,066	\$50,277,116	\$5,242,050	11.6%
Local - Debt and Capital	\$6,732,027	\$7,110,797	\$8,719,176	\$1,608,379	22.6%
Other Funds	\$421,275	\$253,298	\$223,298	(\$30,000)	-11.8%
Total	\$72,769,736	\$78,734,602	\$86,836,374	\$8,101,772	10.3%

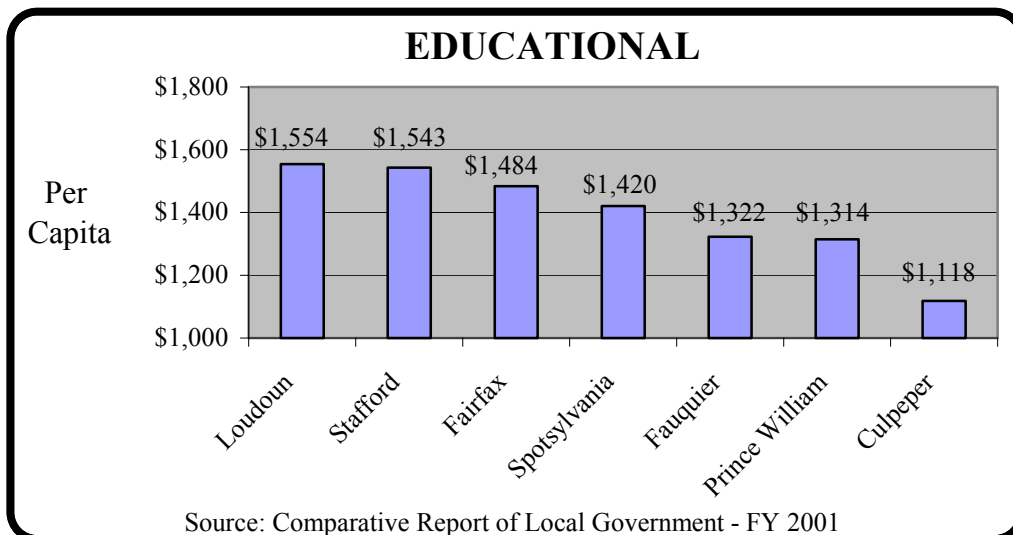
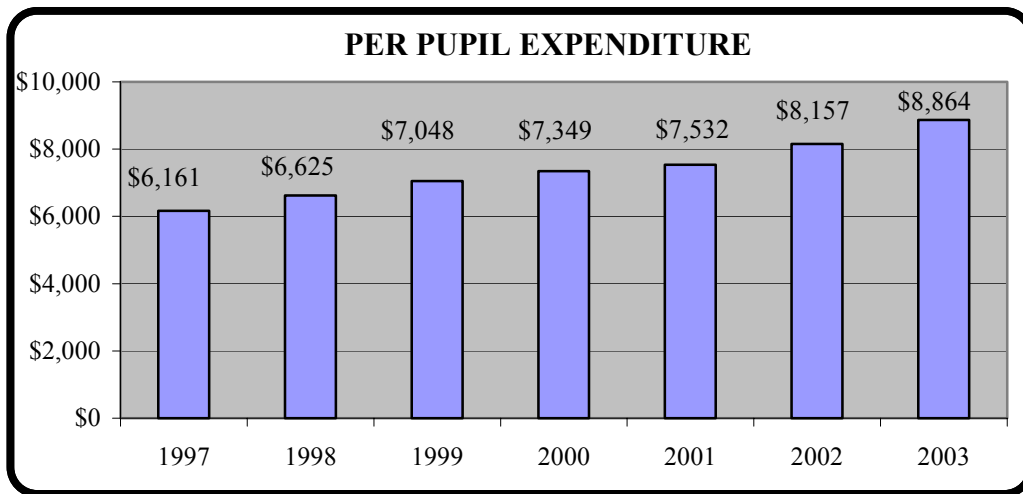


Summary: For FY 2003 the impact of the slowing economy at the State level resulted in limited growth in State support to School Division. Sales tax revenue was reduced by 2.8 percent from FY 2002 and a number of State supported programs received further reductions. Teacher salary supplements were eliminated along with reductions in Remedial Education, Standard of Learning, Adult Vocational Education, Construction and others. The increased State funding is primarily dedicated to specific uses such as Special Education or new educational initiatives. Federal funding increases are in support of at risk children programs. After many years of relatively flat support in Federal funding FY 2003 will represent the second consecutive year of double-digit increases. A reduction in Other Revenue is the result of the elimination of insurance proceeds as general support of the School operating budget. These revenues will now be appropriated as received to purchase equipment. Local support will increase 13.1 percent for FY 2003. This growth is primarily the result of full funding of the significant School Division compensation request. For the second year funding for School Capital Fund appropriations (except those bond funded) pass through the School Division budget for improved accountability.

SCHOOL DIVISION FUND - EXPENDITURES

	FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Adopted	FY 2003 Adopted
Operating	\$54,774,766	\$58,123,105	\$65,633,897	\$66,037,709	\$70,434,537	\$77,035,558
Debt Services	\$6,509,290	\$7,208,538	\$5,691,014	\$6,732,027	\$8,300,068	\$9,800,816
Total	\$61,284,056	\$65,331,643	\$71,324,911	\$72,769,736	\$78,734,605	\$86,836,374

Enrollment	9,250	9,269	9,358	9,540	9,652	9,797
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SCHOOL DIVISION FUND

GENERAL INFORMATION

Fauquier County Public Schools is the largest employer in the County with over 1,600 employees. Fauquier County has two high schools (grades 9-12), four middle schools (grades 6 – 8), ten elementary schools and an alternative education center. Student enrollment for FY 2003 is projected to be 9,797 students, an increase of 145 or 1.5 percent from FY 2002. Five elected School Board members govern the school system. The members are elected for four-year terms, one member representing each of the County's magisterial districts. The School Board is charged by Virginia law and the regulations of the Virginia Board of Education to establish guidelines and rules that will ensure the proper administration of the County's school programs.

GENERAL BUDGET HIGHLIGHTS

➤ **Compensation Issues:**

Salaries – This year's budget concentrates our resources in the areas of student achievement and attraction and retention of high quality staff—goals established by the School Board in preparation of beginning the budget process. Toward these goals, the School Board targeted resources for compensation of staff. The budget includes a 9.79% average increase in teacher salaries, while at the same time, proving equity across all employee groups. The average increase in salaries for all employee groups is approximately 5.75%.

Benefits – For FY 2003 the employer will absorb the projected growth in health care costs.

➤ **Staffing:**

Twelve new positions were added for FY 2003 due to student growth: Elementary 2, Middle School 4, and High School 6.

➤ **Debt and Capital:**

Support for Capital Fund issues and debt service from school construction increased 22.6 percent from the FY 2002 adopted amount. The debt service increase related to the initial borrowing (\$6.4 million) in FY 2002 to build a new \$17.2 million middle school represents approximately one-fourth of this growth. The remaining increase is due to enhanced support for capital issues.

SCHOOL DIVISION FUND

OTHER FUNDING INFORMATION

In addition to the General Operating Fund, the School Division receives significant direct funding support from the Capital Improvement Fund and indirectly from joint service support of the Departments of Human Resource, Finance, General Services, and the Office of Comprehensive Services Act.

The Capital Improvement Fund projects approved for FY 2003 includes funding for:

New Middle School*	\$6,597,000
Bradley& Smith Elementary - HVAC	\$ 900,000
Smith Elementary - Roof	\$ 387,000
Comprehensive Maintenance Plan**	\$ 483,160
Technology Equipment	\$1,396,360
Food Service Equipment	\$ 51,400
Minor System Replacements	\$ 51,400
School Buses (7)	\$ 350,000
	<u>\$10,216,320</u>

* *Second year costs of a \$17.2 million project.*

** *To repair or replace systems or facilities with costs of \$50,000 or less.*

For FY 2003 joint service support for the School Division is approximately \$4.9 million.



SCHOOL FOOD SERVICE FUND

FAUQUIER COUNTY SCHOOL NUTRITION PROGRAM

MISSION STATEMENT

The School Nutrition Program and its affiliated employees are dedicated to promoting safe, nutritious, and enjoyable meals with friendly service in a pleasant environment to all students and school personnel.

PHILOSOPHY

The School Nutrition Program, an extension of the school system's education curriculum, and its related services are operated under the federally funded National School Lunch Act and Child Nutrition Act of 1966, as amended. Federal laws regulating school nutrition programs are administered by the United States Department of Education. The program's objectives are to advocate optimal health and to improve nutritional status of all students by providing palatable, nutritious foods and promoting nutrition education while operating under sound financial status and accountability procedures.

All Fauquier County Public Schools participate in the National School Lunch Program. A written agreement is finalized between the School Superintendent and the Virginia Department of Education for each individual federal lunch program and federal breakfast program. These agreements with the state agency ensure that all programs are in compliance with the regulations and qualify for the federal cash reimbursements as well as donated commodity foods.

FY 2003 BUDGET HIGHLIGHTS

- All lunch prices remain unchanged for FY 2003.
- Contract services increased due to feeding more students in the before and after school care program.
- Budget uses 175 days a year for revenue purposes. This allows for early dismissal days where revenue based on meal counts are dramatically reduced.
- Emphasis for FY 2003 will be enhanced training in sanitation and nutrition education for all staff members.

SCHOOL FOOD SERVICE FUND

EXPENDITURES (BY CATEGORY)

SALARIES	\$1,193,948
EMPLOYEE BENEFITS	\$339,000
PURCHASED SERVICES	\$35,000
OTHER CHARGES	\$34,700
MATERIALS & FOOD SUPPLIES	\$1,282,808
CAPITAL OUTLAY	\$25,000
TOTAL	\$2,910,456

REVENUE

SOURCE	ACTUAL FY 2000	ACTUAL FY 2001	ADOPTED FY 2002	ADOPTED FY 2003	ADJUSTMENT	PERCENT
STATE	\$0	\$44,129	\$47,000	\$44,000	(\$3,000)	-6.8%
FEDERAL	\$605,779	\$629,475	\$568,438	\$591,605	\$23,167	3.7%
LOCAL	\$1,793,894	\$2,119,787	\$2,184,444	\$2,274,851	\$90,407	4.3%
TOTALS	\$2,399,673	\$2,793,391	\$2,799,882	\$2,910,456	\$110,574	3.9%